

**APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA**

Date of filing in State Engineer's Office JUN 05 1991
 Returned to applicant for correction JUL 17 1991
 Corrected application filed AUG 28 1991
 Map filed AUG 28 1991 under 56400

Gold Fields Operating Co. - Mule Canyon, A Gold Fields Mining Group
 The applicant Company, a Division of Hansen Natural Resources Company, A Delaware
General Partnership

1687 Cole Boulevard, of Golden,
Street and No. or P.O. Box No. City or Town

Colorado 80401-3301, hereby make S application for permission to appropriate the public
State and Zip Code No.

waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a
 copartnership or association, give names of members.) Partners of Hansen Natural Resources Company
are Gold Fields Mining Corporation and Cavanham Forest Industries, Inc.

1. The source of the proposed appropriation is Underground
Name of stream, lake, spring, underground or other source

2. The amount of water applied for is 3.0 cfs second-feet
One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of acre-feet.

3. The water to be used for mining, milling and domestic purposes
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated.

(b) Stockwater, state number and kinds of animals to be watered.

(c) Other use (describe fully under "No. 12. Remarks").

(d) Power:

(1) Horsepower developed.

(2) Point of return of water to stream.

5. The water is to be diverted from its source at the following point within the SE¼ SE¼ Section 32,
Describe as being within a 40-acre subdivision of public

T.32N., R.47E., M.D.B.&M., or at a point from which the SE corner of said Section
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.

32 bears S. 45° 34' 10" E., a distance of 380.73 ft.

6. Place of use Sections 1-5, 8-15 and 23 T.31N., R.47E., M.D.B.&M. and Sections
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

32-34 and 36 T.32N., R.47E., M.D.B.&M.

7. Use will begin about January 1 and end about December 31, of each year.
Month and Day Month and Day

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and
 specifications of your diversion or storage works.) drilled and cased well, submersible pump,
State manner in which water is to be diverted, i.e. diversion structure, ditches and
electric motor, distribution system and storage reservoir.
flumes, drilled well with pump and motor, etc.

9. Estimated cost of works \$100,000.00

10. Estimated time required to construct works..... five (5) years
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use..... seven (7) years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

Water will be used for mining, milling and domestic purposes. This may
include heap leaching, milling, dewatering and domestic purposes. The
total combined duty from all sources will not exceed 2500 acre-feet annually.

By..... s/George W. Ball, Jr.
George W. Ball, Jr., P.E., Cert. 409
730 Tahoe Street
Reno, Nevada 89509

Compared..... bc/bc jr/bk

Protested.....

APPROVAL

OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 52586, 56400 and 56401 shall not exceed 2172.0 acre-feet annually.

(CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed..... 3.0.....cubic feet per second, but not to exceed 2172.0 acre-
feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before..... April 30, 1996

Proof of completion of work shall be filed on or before..... May 30, 1996

Application of water to beneficial use shall be made on or before..... April 30, 1997

Proof of the application of water to beneficial use shall be filed on or before..... May 30, 1997

Map in support of proof of beneficial use shall be filed on or before..... N/A

Completion of work filed..... IN TESTIMONY WHEREOF, I..... R. MICHAEL TURNIPSEED, P.E.

Proof of beneficial use filed..... State Engineer of Nevada, have hereunto set my hand and the seal of my
 office, this..... 11th day of..... April

Cultural map filed.....

A.D. 19..... 95

Certificate No..... Issued.....

[Signature]
 State Engineer

(PERMIT TERMS CONTINUED)

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

A monthly report shall be submitted to the State Engineer within 10 days from the end of each month which shall include the amount of water pumped from the well and the amount of water used.

The permittee will submit a monitoring plan to the State Engineer within 90 days from the issuance of this permit. This monitoring plan must specify: (1) which sources are to be measured (2) background information already gathered (3) method of measurement and (4) projected frequency of measurements. The monitoring plan must show what, if any, impacts pumping of water for this project has on existing rights.

The State Engineer will retain the right to require additional monitoring of water levels in observation and monitor wells and of flow rates of surface sources. The permittee, on a schedule acceptable to the State Engineer, will prepare and present an update on the activities of the mine and the monitoring on a periodic basis, but not less than two times per year.